

ORDINANCE NO. _____

AN ORDINANCE PRESCRIBING AND LEVYING RATES AND CHARGES FOR SALES MADE AND SERVICES RENDERED IN CONNECTION WITH THE ELECTRIC LIGHT AND POWER SYSTEM OF THE CITY OF AUSTIN FOR RESIDENTIAL, COMMERCIAL, PUBLIC, AND OTHER USES OF ELECTRIC LIGHT AND POWER SOLD AND SERVED BY THE CITY OF AUSTIN.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The monthly rates and charges for sales made and services rendered by any part of the electric light and power works and system of the City of Austin are hereby established, levied, fixed, and prescribed pursuant to the retail rate schedules attached hereto as Exhibit A and incorporated by reference.

PART 2. Service rendered under these retail rate schedules shall be provided pursuant to City Code Section 15-9, *Utility Service Regulations*, and the *Utility Criteria Manual*, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin.

PART 3. These retail rate schedules have been adopted after a complete investigation of facts and policies bearing upon them, including formation of a Public Involvement Committee, five hearings before the Electric Utility Commission, twelve Council work session meetings, and three public hearings before the Council. Based on such investigation and hearings, the City Council finds and determines that these rates and charges are fair, just, and reasonable; are equal, uniform, and nondiscriminatory; are necessary to meet the operating and maintenance expenses and provide for depreciation and replacement of assets of the electric system, to provide for reasonable extensions and additions thereto in order to render efficient service, and to pay principal and interest on revenue bonds; and are sufficient to provide only a reasonable and proper return on the fair value of the electric system's properties dedicated to the furnishing of electric service.

PART 4. The Council further finds that the 2009 test year data, adjusted for known and measurable changes, support an annual utility revenue requirement of \$1,123,477,268. To mitigate the magnitude of rate increase required to achieve this requirement, the Council adopts these retail rate schedules to achieve annual revenues of \$1,089,529,780. It is the intent of the City Council to move toward full recovery of utility revenue requirements through further examination of prudent cost reduction measures and reserve policies, the implementation of revised retail rate schedules by October 1, 2014, and the automatic expiration of all existing fixed-rate service contracts pursuant to their terms on May 31, 2015.

PART 5. These retail rate schedules reflect a consolidation of customer classes and a move toward rates based upon cost-of-service but adjusted to mitigate rate shock and support the community priorities of energy efficiency, peak demand reduction, and assistance to low-income customers.

